

## Message Text

CONFIDENTIAL POSS DUPE

PAGE 01 TEHRAN 02264 101658 Z

54

ACTION NEA-12

INFO OCT-01 EUR-25 ADP-00 SCEM-02 CIAE-00 DODE-00 PM-09

H-02 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01

SS-15 USIA-12 NIC-01 EB-11 COME-00 TRSE-00 FPC-01

SAJ-01 RSR-01 /121 W

----- 028782

R 101210 Z APR 73

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 1780

INFO AMEMBASSY MOSCOW

C O N F I D E N T I A L TEHRAN 2264

E. O. 11652: GDS

TAGS: ENRG, ESID, IR, UR

SUBJECT: GOI/ USSR NEGOTIATIONS ON HIGHER GAS PRICES

1. TAGHI MOSSADEGHI, MANAGING DIRECTOR, NATIONAL IRANIAN GAS COMPANY, TOLD EMBOFFS APRIL 9 THAT USSR TEAM TO DISCUSS HIGHER PRICES FOR IRANIAN GAS SUPPLIED USSR THROUGH IGAT PIPELINE WILL ARRIVE TEHRAN APRIL 16. MOSSADEGHI EXPLAINED THAT PROTOCOL TO 1966 GOI AGREEMENT ON GAS BARTER DEAL PROVIDED BASIC PRICE OF FOUR RUBLES PER THOUSAND CUBIC METERS WITH POSSIBLE ADD- ON OF MAXIMUM OF TWO RUBLES MORE. ( FOR PURPOSES OF PROTOCOL RUBLE PEGGED TO A GOLD VALUE EQUAL TO \$1.11.) ACTUAL AMOUNT OF ADD- ON BASED ON INDEX OF PERSIAN GULF LIGHT FUEL OIL AT ABADAN OR BANDAR MAHSHAR WITH INCREASE IN INDEX BETWEEN 10 AND 30 PERCENT DETERMINING PERCENTAGE OF 2 RUBLES ADD- ON. WITH INCREASE OF MORE THAN 30 PERCENT, AUTOMATIC RENEGOTIATION OF PRICE WAS TO TAKE PLACE. SINCE EARLY 1971 ( AFTER TEHRAN AGREEMENT), WHEN PG LIGHT FUEL INDEX WAS INCREASED ABOUT 40 PERCENT, IRANIANS HAD BEEN PRESSING FOR THESE NEGOTIATIONS. SOVIETS FINALLY AGREED TO SEND A NEGOTIATING TEAM DURING RECENT KOSYG IN VISIT.

2. MOSSADEGHI SAID RUSSIANS WANTED TO OBTAIN MORE IRANIAN GAS BUT THAT THE ONLY POSSIBLE SOURCE FOR IT WOULD BE THE SARAKHS FIELD  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TEHRAN 02264 101658 Z

NEAR MESHAD SINCE KHUZISTAN GAS IS NOW CLEARLY TOO VALUABLE TO SEND  
T  
O  
THE USSR. MOSSADEGHI WAS FULLY AWARE OF DISPARITY BETWEEN PRICE  
PAID  
FOR IRANIAN GAS (20.02 CENTS PER 1,000 CU FEET) AND PRICE USSR RE-  
CEIVES FOR ITS OWN GAS ( REPLACED BY IRANIAN GAS) IN EUROPE. HE ALSO  
SAID THAT IF SOVIETS WANT IRANIAN GAS FROM ANY SOURCE, BASED ON HIS  
UNHAPPY EXPERIENCE WITH FINANCING TMF PRESENT PIPELINE, THEY WILL  
HAVE TO PUT UP MUCH MORE OF THE CONSTRUCTION COST OF ANY PIPELINE.

3. COMMENT: BASED ON MOSSADEGHI' S REPORT, INCREASES IN PRESENT  
DELIVERIES OF ABOUT 1 BILLION CMD BEYOND THOSE POSSIBLE BY  
EXPANDING TO SOME DEGREE ( BUT NOT DUPLICATING) THE PRESENT LINE  
PROBABLY WILL BE FAR IN THE FUTURE. WITH ANY NEW DUPLICATE  
PIPELINE ESTIMATED TO COST ABOUT \$600 MILLION, FINANCING SUCH A  
PIPELINE WOULD BE ADDED PRESSURE ON AN ALREADY TIGHTLY STRETCHED  
GOI  
BUDGET.  
HOWEVER, POLITICAL RATHER THAN ECONOMIC CONSIDERATIONS MAY GOVERN  
IN THE FINAL ANALYSIS.  
HELMS

CONFIDENTIAL

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* CONFIDENTIAL

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:**  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 APR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973TEHRAN02264  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** RR  
**Errors:** n/a  
**Film Number:** n/a  
**From:** TEHRAN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730439/aaaaicwo.tel  
**Line Count:** 92  
**Locator:** TEXT ON-LINE  
**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 SEP 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26-Sep-2001 by smithrj>; APPROVED <29-Nov-2001 by morefirh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> gwr 971218  
**Subject:** GOI/ USSR NEGOTIATIONS ON HIGHER GAS PRICES  
**TAGS:** ENRG, ESID, IR, UR  
**To:** MOSCOW  
NEA  
SECSTATE WASHDC  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005